RxConnector

A publication of the North Dakota Insurance Department

September 2008

Stimulus payment applications accepted through Oct. 15

The Internal Revenue Service (IRS) says 9,900 North Dakota retirees and veterans who might qualify for an economic stimulus payment have not yet filed for it according to the *AARP North Dakota News*, August 2008.

The IRS is sending another set of information packets to remind those people that it's not too late. The deadline to file is Oct. 15.

People who do not need to file a tax return, but received at least $3,000 from Social Security benefits, veterans benefits, certain railroad retirement benefits and/or earned income in 2007, must submit a simplified version of a 1040A tax form to the IRS in order to receive a stimulus payment. The minimum payment for this group will be $300 for an individual and $600 for a couple filing jointly.

To contact the IRS, call toll-free 1-800-829-1040 or visit www.irs.gov.

Receiving $300 this time of year could be of great assistance to those who are having difficulty paying for prescriptions. The extra money could assist those with increasing transportation costs. Homeowners preparing for the winter may find the extra money helpful in paying for heating costs.

Identity thieves are using the stimulus payment as bait in their scams. Details can be found in news release IR-2008-11.

Adam Hamm
Insurance Commissioner

Welcome to the *RxConnector* newsletter!

Dear friends,

This newsletter is designed to keep you up-to-date about the Prescription Connection for North Dakota program and to keep you in the know about the various prescription assistance programs that are available. From time to time, we may also include other items of interest related to Medicare and the State Health Insurance Counseling (SHIC) program.

As always, thank you so much for all that you do for the Prescription Connection program. Without your help, our work would be that much harder. Your efforts are valued and appreciated.

If you have items of interest that you think should be included in this newsletter, we would love to hear about them. Please contact Sharon St. Aubin at sstaubin@nd.gov or call her at 1.888.575.6611.

Adam Hamm
Insurance Commissioner

NORTH DAKOTA
a program of the North Dakota Insurance Department
Prescription Connection for North Dakota

RxConnector is a publication of the Prescription Connection for North Dakota program.

Contact us at:

1.888.575.6611
insurance@nd.gov
www.nd.gov/ndins

Do you need long-term care insurance?

To help consumers make more informed decisions about long-term care insurance coverage, the National Association of Insurance Commissioners (NAIC) offers these tips and considerations:

1. Investigate long-term care coverage if you don't want to rely on others to support you, and you want flexibility in choosing the type of long-term care services.

2. Long-term care insurance isn't for everyone. If you are currently receiving Social Security or expect to have minimal or no retirement savings, you will likely qualify for state aid and should not purchase long-term care insurance.

3. Research individual insurance companies to see whether they have a history of raising rates for long-term care coverage. Check with your state insurance department to learn how your state regulates rate increases.

4. Check with your financial advisor or accountant for guidance on whether long-term care insurance is appropriate for your specific financial situation. If long-term care insurance is for you, shop around for the most appropriate coverage at the best price.

5. Make sure you understand what a long-term care insurance policy covers and just as importantly, what it doesn't. Ask questions and make sure the company is reputable and licensed to sell insurance in your state. If you have concerns about a company, contact your state insurance department.

6. Pre-existing conditions, conditions that you have before you apply for the insurance coverage, may be excluded from coverage. In addition, for some policies, age 60 is a trigger for a rate increase. Thus, it may be beneficial to purchase your policy before your late 50's.

7. Don't rely on Medicare or Medicaid to cover your long-term care needs. Medicare will usually pay for a small percentage of nursing home costs. Medicaid pays for long-term care services but only if you meet federal poverty guidelines, and the choice of care facilities can be very limited.

8. Keep in mind that tax breaks are available for qualified long-term care insurance policy premiums. The benefit payments received under such policies are tax-free.

9. Do not divulge personal financial or medical information over the phone, such as your Social Security number, your health status, your Medicare status or your private insurance coverage. Don't be fooled by mailings about long-term care insurance that appear to be from an official government source. If you are concerned that someone is trying to trick you, contact your state insurance department.

10. Be wary of advertising that suggests Medicare is associated with a long-term care policy. Medicare does not endorse nor sell long-term care insurance.

Lexapro update

Forest Pharmaceuticals has a new form and they are now accepting Medicare patients with a Low-Income Subsidy denial.

Other medications available from Forest Pharmaceuticals are Aerobid, Aerochamber Mask, Armour Thyroid Tablets, Bystolic Tablets, Campral, Celexa, Levothroid, Namenda, Tessalon Perles, Theochron, Thyrolar and Tiazac.

* Maximum amount for Aerochamber® or Aerochamber® with mask is one per patient in a six-month period.

Call us

In our advertising, we encourage you to call Prescription Connection. However, for some, it may be difficult to use a telephone due to a hearing, speech or physical limitation. When a standard phone no longer works for you, it is time to explore a more specialized phone.

Contact the North Dakota Interagency Program for Assistive Technology regarding telephones. They have amplified telephones. These phones come with various levels of amplification and some have bright ring flashers. There are amplification devices for cell phones.

A photo phone works well for people with low vision or memory difficulties.

The emergency connect phone is used for safety purposes. It comes with a wristwatch or pendant style remote control with programmable contact numbers which are activated by pressing the control button on the remote.

There are other types of phones that may fit your need.

Call 1-800-265-4728 for more information or visit IPAT Services at www.ndipat.org.

IPAT has added new equipment. One that may be helpful to the blind or visually impaired is a Note Teller. It scans and voices the denominations of all old and new designs of U.S. bills.

IPAT will be displaying specialized phones and other equipment at the 2008 Medicare Part D enrollment events (see last page).

Medicare adds to do-not-pay list

Medicare is adding to its do-not-pay list for hospitals two new categories of preventable conditions it won't cover, a much smaller number than it had been contemplating.

Last year, the Centers for Medicare and Medicaid Services set new ground by determining extra costs for treating certain preventable conditions, referred to as "never events." An example of a never event is a transfusion with the wrong blood type.

Medicare officials announced recently that it no longer will pay the extra-care costs associated with treating dangerous blood clots in the leg following knee or hip replacement. The program also will not pay extra for complications stemming from poor control of blood sugar levels.

The changes were made as part of a final rule setting payment rates for inpatient hospitals for the next fiscal year, which begins Oct. 1.

Medicare's policy often sets precedent for private insurers, and many of them already have begun to adopt their own never-event policies. Dozens of states are considering such policies also for their Medicaid programs.

Medicare also said it would expand one of its never events to include surgical site infections following certain elective procedures.

The American Medical Association, the trade association representing doctors, said the federal government's decision would harm patient care.

"We are working hard to improve quality and efficiency, but simply not paying for complications or conditions that while regrettable are not entirely preventable is not the way to do it," said Dr. J. James Rohack, president-elect of the AMA.

Medical errors, including those that result in hospital-acquired conditions, may be responsible for as many as 98,000 deaths annually, at costs of up to $29 billion, according to the Institute of Medicine, an arm of the National Academies that advises the government on medical and health issues.

Medicare officials also said payments to nursing homes will increase by about $780 million next year, a 3.4 percent increase. CMS had considered recalibrating its payments to the nursing homes to correct a previous error,

but delayed that change after the industry and lawmakers protested.

Source: Associated Press

FDA issues new rules on product warning label updates

The Food and Drug Administration (FDA) recently issued new rules that aim to ensure medication warning labels provide clear and concise information to consumers, the AP/Denver Post reports. The new rule, which will take effect next month, states that pharmaceutical and medical device companies must rush out safety updates on products only if there is clear evidence of a risk not yet reviewed by FDA.

The Pharmaceutical Research and Manufacturers of America supported FDA's actions, saying the new rules provide clarity about drug warning labels, the AP/Post reports. However, consumer advocacy lawyers said the new rules provide legal protection to companies that withhold information on risks associated with their products.

In addition, the American Association of Justice said the new rules require an unnecessary standard of scientific evidence before companies must update their labels (Perrone, AP/Denver Post, 8/24).

Source: Kaiser Daily Health Policy Report

Reaching the donut hole

The study of Part D prescription drug utilization finds that one in four (26 percent) Part D enrollees who filled any prescriptions in 2007 reached the coverage gap. (In Minnesota and six other states making up the Northern Plains region, 33 percent of beneficiaries hit the coverage gap. Only Hawaii was higher, at 36 percent, while Nevada was lowest at 12 percent.) This includes 22 percent who remained in the gap for the remainder of the year, and 4 percent who ultimately received catastrophic coverage. Applying this estimate to the entire population of Part D enrollees, the analysis suggests that about 3.4 million beneficiaries (14 percent of all Part D enrollees) reached the coverage gap and faced the full cost of their prescriptions in 2007.

Beneficiaries taking drugs for serious chronic conditions had a substantially higher risk of a gap in coverage under their Medicare drug plan. For example, 64 percent of enrollees taking medications for Alzheimer's disease reached the coverage gap in 2007, as did 51 percent of those taking oral anti-diabetic medications and 45 percent of patients on antidepressants. As noted above, these percentages are among Part D plan enrollees who did not receive low-income subsidies.

Conducted by researchers at Georgetown University, NORC at the University of Chicago and Kaiser, the study found evidence of patients changing their use of prescription drugs when they are required to pay the full cost of medications in the coverage gap. Across eight classes of drugs examined—used to treat a variety of relatively common chronic conditions—15 percent of Part D enrollees who reached the gap stopped their drug therapy for that condition, 5 percent switched to another medication in the class, and 1 percent reduced the number of drugs they were taking in the class.

The standard Part D benefit in 2008 has a $275 deductible and 25 percent coinsurance up to an initial coverage limit of $2,510 in total drug costs, followed by a coverage gap —the so-called "donut hole"—where enrollees pay

all of their next $3,216 in drug costs. After reaching that limit, beneficiaries pay five percent of any additional drug costs. For 2007, these amounts were somewhat lower.

The study also found that people who reached the gap

paid the full cost of their medications, without any help from their Part D plan, for an average of just over four months and received catastrophic coverage for less than one month.

This study analyzes retail pharmacy claims data, based on 4.5 million Medicare beneficiaries in Part D plans in 2007, the first year that most people would be enrolled in a Part D plan for a full calendar year. The analysis is based on 2007 data from IMS Health's Longitudinal Prescription Drug Database, which includes prescription drug information that represents half of all retail prescriptions filled in the U.S.

The report, The Medicare Part D Coverage Gap: Costs and Consequences in 2007, is available online. The research team includes: Jack Hoadley of Georgetown University, Elizabeth Hargrave of NORC at the University of Chicago, and Juliette Cubanski and Tricia Neuman at the Kaiser Family Foundation.

Source: Kaiser Daily Health Policy Report

Many older adults can't find most beneficial plan on Medicare website

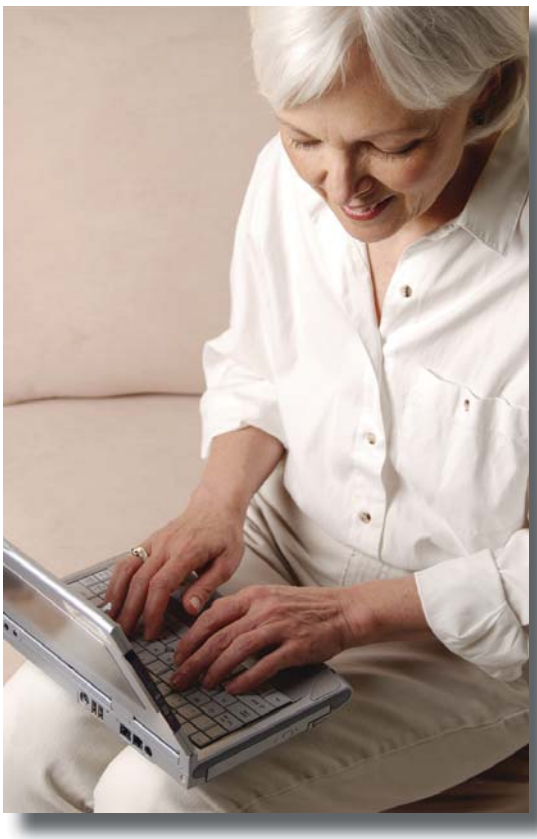
About three-fourths of older adults with basic computer skills could not find the most beneficial prescription drug plan on the Medicare website, and could not take the necessary steps to enroll to receive home health care services, according to a study published on Wednesday in the Journal of the American Medical Association, the South Florida Sun-Sentinel reports.

The study—conducted by Sara Czaja, co-director of the Center on Aging at the University of Miami Medical School, and colleagues—included 112 adults ages 50 and older from Broward and Miami-Dade counties in Florida, each of whom had at least 14 years of education and basic computer skills.

Study participants received brief training on the Medicare website before researchers asked them to find the most beneficial prescription drug plan among various plans listed on the site. Researchers analyzed the computer activity logs of participants and found that they often could not understand the technical language or navigate the pages of the Web site. In addition, some participants did not search the Web site adequately to find the information that they needed to select a prescription drug plan, the study found. Some participants ended their searches before they visited the 10 or more pages needed to find the information, according to the study.

Czaja said, "There are some problems ... some design features with the site that make it difficult for people to use, and they can't get the maximum value out of it," adding, "Some of them just gave up trying."

In a response to the study, Jeff Nelligan, a CMS spokesperson, said that the website receives more than one million visitors daily and that the agency conducted focus groups before the launch of the site in 2005. Nelligan said, "We've worked hard to organize and format our quality 'compare' tools ... in a consumer-friendly manner by conducting both qualitative and quantitative research of the Web site tools with multiple audiences," adding, "More research is probably needed to assess the usability of the site, and should be performed by people who have a basic understanding of the size and complexity of the program" (LaMendola, South Florida Sun-Sentinel, 8/20).



Source: Kaiser Daily Health Policy Report

Kaiser Daily Health Policy Report highlights recent blog entries

While mainstream news coverage is still a primary source of information for the latest in policy debates and the health care marketplace, online blogs have become a significant part of the media landscape, often presenting new perspectives on policy issues and drawing attention to under-reported topics. To provide complete coverage of health policy issues, the Kaiser Daily Health Policy Report offers readers a window into the world of blogs in a roundup of health policy-related blog posts. "Blog Watch," published on Tuesdays and Fridays, tracks a wide range of blogs, providing a brief description and relevant links for highlighted posts.

Louise of Colorado Health Insurance Insider identifies aspects of health savings accounts she finds positive but notes, "tax breaks for health care expenses shouldn't be limited to those who have the means to fund an HSA."

Brian Rosman of Health Care for All's A Healthy Blog writes that costs attributed to Massachusetts' health insurance regulations are much smaller when estimated costs of federal regulations are subtracted and required benefits are compared with what self-funded employers offer, in response to a memo (here) by the Heartland Institute that says the state's rising health insurance costs are due to the state's mandated regulations.

Henry Aaron on the Health Affairs Blog discusses new estimates of the cost of covering the uninsured and provides an overview of the presidential candidates' different approaches to health reform, saying the "modest" cost increase says "little about the political and economic obstacles that must be overcome to achieve it."

Niko Karvounis of the Century Foundation's Health Beat blog discusses Massachusetts' unique challenges to reducing health costs, saying, "care in Massachusetts is extremely expensive, thanks to supply-side factors—which means expanding and sustaining full coverage is, fiscally speaking, a tough proposition."

The Health Care Blog's Craig Stoltz revisits presumptive Democratic vice presidential nominee Sen. Joe Biden's (Del.) health plan, which he calls "not that different" from presumptive Democratic presidential nominee Sen. Barack Obama's (Ill.), and says could indicate what's "likely to be magnified" in the campaign.

Jason Shafrin of the Healthcare Economist writes that "individuals who have emergencies will receive even worse care than before" if CMS withholds federal funding for certain poorly performing hospitals because, unlike many market goods, some hospitals are the sole source for emergency care and face little or no competition.

Joanne Kenen from the New America Foundation's New Health Dialogue discusses a roundtable and accompanying editorial on health reform sponsored by the New England Journal of Medicine, noting, "the speakers were not completely optimistic about comprehensive reform coming forth from Washington, but they did recognize that 2009 might still be a catalyst for positive change," and that the editorial calls for academics to "get serious about how to address the costs."

Don McCanne of the Physicians for a National Health Program blog lists some unintended consequences of legislation allowing young adults to stay on their parents' health insurance longer and while he notes that the benefits are "greater than the deficiencies," similar legislation "cannot begin to compensate for the persistent deterioration in coverage that continues to plague us."

David Wessel on the Wall Street Journal's Real Time Economics blog reports on Nobel prize-winning economist Robert Fogel's recent comment that "Public policy ought not be aimed at depressing demand for health," because it reflects increasing wealth and productivity gains for other necessities.

Source: Kaiser Daily Health Policy Report

2008 Medicare Part D events

The North Dakota Insurance Department is putting on several free events around the state, offering assistance in switching or enrolling in a Medicare prescription drug plan. All sessions are held 9 a.m.–5 p.m.

Nov. 17	**Bismarck**	Doublewood Inn, Heritage Room, 1400 E. Interchange Ave.
Nov. 20	**Dickinson**	Grand Dakota Lodge, Lewis and Clark room, 532 15th St. W
Nov. 24	**Williston**	Senior Center, 18 Main St.
Nov. 25	**Minot**	Sleep Inn, 2400 10th St. SW
Dec. 1	**Fargo**	Ramada, Crystal Ballroom, 1635 42nd St. SW
Dec. 2	**Wahpeton**	NDSCS, Red River Valley room, 900 6th St. N.
Dec. 9	**Jamestown**	Gladstone Inn, 111 2nd St. NE
Dec. 16	**Grand Forks**	C'Mon Inn, 3051 32nd Ave. S.
Dec. 17	**Devils Lake**	Lake Region College, Heritage Room, 1001 College Dr. N.

Want to learn how to find a Part D plan?

SHIC staff will hold training via IVN (interactive video network) **1–2:50 p.m. Friday, Nov. 14, 2008** at these locations:

Bismarck
BSC VoTech 228
Contact: Pat Gross
224.5641

Bottineau
MiSU-B Arntzen 2
Contact: Nancy Underwood, 228.5421

Devils Lake
LRSC Admin 171
Contact: Dan Driessen
662.1565

Dickinson
DSU Klinefelter 216
Contact: Kathy Obritsch
483.2013

Fargo
NDSU EML 170
Contact: Tammy Cummings, 231.1997

Grand Forks
UND Gamble 120
Contact: Heidi Flaten
777.4825

Mayville
MaSU Library 115
Contact: Bob Bertsch
788.4638

Minot
MiSU Admin 158
Contact: Dick Debertin
858.3487

Valley City
VCSU Rhodes 107
Contact: James Boe
845.7445

Wahpeton
NDSCS Library 117
Contact: Wanda Worrel
671.2606

Williston
WSC Main 120
Contact: Wanda Meyer
774.4250

To register, contact Jan Frank at 701-328-9611 or janfrank@nd.gov.